

Why Oak Park needs an inclusionary zoning ordinance



[oakpark.com/News/Articles/10-16-2018/Why-Oak-Park-needs-an-inclusionary-zoning-ordinance](http://www.oakpark.com/News/Articles/10-16-2018/Why-Oak-Park-needs-an-inclusionary-zoning-ordinance)

Tuesday, October 16th, 2018 4:06 PM

By Dan Lauber

PART II

None of the newly-built high-rises offer relief from high rents in Oak Park. As detailed last week, most current Oak Parkers cannot afford the rent in the newly-constructed high-rises, let alone buy a new condominium.

It's no surprise that so many of Oak Park's seniors have had to leave the village they made so great and that their children can't afford to return to the town where they grew up. Forty-seven percent of Oak Park's tenants and 30 percent of its homeowners with a mortgage are cost burdened, spending a higher percentage of their income on housing costs than is financially healthy.

It's no surprise that none of this new construction offers homes they can afford. Developers have long contended that the cost of new construction is too high to build new housing that middle-class households with modest incomes can afford.

So what can Oak Park do to keep the village within reach of more of its current residents?

Plenty, starting with adopting a fair and balanced effective inclusionary zoning ordinance, which, for nearly 50 years, has been one of the most successful tools for producing new affordable housing at no taxpayer expense. It won't solve the affordable housing crisis by itself, but it's a good start.

Anxious to bring new development to Oak Park, the village routinely allows developers to build new high-rises at much higher densities than the zoning code currently allows.

Inclusionary zoning, however, allows these higher densities only when the developer reserves a percentage of all new units, typically 20 percent, at rents affordable to households of modest means.

Since there's been a lot of misinformation circulated about how inclusionary zoning works, here's one example of a fair approach:

For example, Oak Park would allow higher densities only when a developer agrees to rent 20 percent of all the units to households with incomes up to 80 percent of Chicagoland's \$84,583 area median income in 2018, namely \$67,666. Those units would be affordable to a huge majority of Oak Parkers currently priced out of nearly all new construction — 35 percent of all households in the village, including most of the village's African-American residents and nearly all Oak Park tenants.

A developer seeking to build an 80-unit building where the zoning currently allows only 40 units, would have to include 16 affordable units (20 percent). Current village practices do not require any affordable units be included as the tables published last week show.

Properly drafted, inclusionary zoning makes everybody a winner:

Oak Parkers gain more affordable housing without any government subsidy in the face of the shrinking supply of affordable housing.

Developers win with greater profits from building more market-rate units than the current zoning allows.

The village, districts 97 and 200, and other taxing bodies win because the larger buildings generate more property tax than the smaller building the current zoning permits.

Local businesses benefit from the larger number of "captive" customers plus from households in the inclusionary units having more discretionary income to spend at local businesses.

The new scattered affordable units enable seniors, African Americans, and other middle-class households with modest incomes to continue to live in Oak Park, maintaining the village's racial and economic diversity.

Neighbors win because the value of neighboring properties remain unchanged or even rise, according to studies of affordable housing.

And taxpayers don't spend a cent to subsidize the much-needed affordable units scattered throughout new Oak Park residential developments.

As the village starts to write its ordinance, attention must be paid to the research that shows successful inclusionary zoning needs to:

- Provide predictability with a clear density bonus formula

- Maintain affordability for at least 50 years, preferably 99 years, with village options to renew

- Be mandatory; voluntary systems fail

- Apply to the entire village; greater profits under inclusionary zoning will attract new construction to difficult-to-develop areas

- Place limits on resale prices of inclusionary condo units to keep them affordable to the same targeted income group

- In lieu payments must no less than the cost of building a new unit, about \$365,000 these days

- A host of other details must be worked out, based on factual research, not myths or politics. Drafting an inclusionary zoning ordinance cannot be rushed.

In my 44-year association with Oak Park, I've seen there is nothing this village can't do if it resists playing politics and puts its mind to it. At RegionalHousingSolutions.org, the Chicago Metropolitan Agency for Planning (CMAP), Metropolitan Mayors Caucus, Metropolitan Planning Council, and Institute for Housing Studies at DePaul University, report that inclusionary zoning is the right tool for Oak Park.

With a fair, effective inclusionary zoning ordinance, will enable Oak Park to continue to be the great racially and economically diverse community it has aspired to be for more than half a century.

Get the facts on the inclusionary zoning ordinance that nearly 900 jurisdictions have adopted with the plethora of research available at <http://www.oakparkwithinreach.org/> and <http://planningcommunications.com/resources.htm>.

Former Oak Park Senior Planner Daniel Lauber, AICP, has worked with communities across the country to foster racial and economic integration and to preserve and create housing that households with modest incomes can afford. He has served as an expert witness before both houses of Congress.